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COMMENTS BY THE DEPARTMENT OF STATE
ON THE DULLES COMMITTEE REPORT

I. GENERAL

The Department of State endorses the Report and, with very few exceptions, concurs in the conclusions and recommendations presented. The Department feels that the Report is competent, objective and penetrating; the Department furthermore believes that maximum benefit will be derived from this comprehensive examination of the intelligence organization of the Government as a whole, and of the Central Intelligence Agency (CIA) in particular, only if implementing steps are taken promptly.

The Department is commenting in some detail on those phases of the report which involve the Department itself, or which involve interdepartmental cooperation in which the Department shares. The major portion of the report is concerned with these matters. However, the Department is also presuming to comment upon the conclusions and recommendations involving the internal administration and organization of the CIA, believing it to be incumbent upon the agencies intimately familiar with the CIA to do so, and, at the same time, believing that much of the interdepartmental and cooperative aspects of the intelligence organization of the Government do, in fact, stem from the nature of the administration and organization of the CIA itself.

II. SPECIFIC COMMENT

(Note: Each of the recommendations of the Dulles Committee is summarized in the left column by chapters for identification only, and in no sense as an interpretation. The Department's comments, where applicable, are set forth in the right column.)

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DULLES COMMITTEE

DEPARTMENT OF STATE

CONCLUSIONS AND RECOMMENDATIONS

COMMENT

CHAPTER I - Introduction: The Intelligence Problem.

No comment.

CHAPTER II - National Intelligence and the National Intelligence Act.

- ✓ (1) No amendments to the National Security Act are deemed necessary.
- ✓ (2) The CIA is properly placed in governmental structure under NSC.
- (3) The CIA, through the Director, should establish closer liaison with Secretaries of State and Defense.

Concur.

The Department concurs in these conclusions and feels, particularly with respect to the third, that the relationship between the CIA on the one hand and the Department and the NME on the other must be developed to a continuous, close liaison of mutual confidence. It welcomes the closest possible relationship at all levels. However, with respect to this recommendation and the several others within the report which speak of the relationship between the Department and the CIA, the Department assumes that this is understood to be within the framework of procedures and arrangements to be agreed to by the Secretary, and through and with the officers of the Department designated by him.

CHAPTER III - Organization and Administration of the CIA.

- ✓ (1) The centralization of all administration in one office is undesirable.
- (2) Procedures for handling budgetary arrangements are soundly conceived and the CIA is not hampered by lack of funds.

Concur.

With respect to Recommendation (2) the budget arrangements for OPC, as a new organization, may require further study to insure adequacy of funds quite apart from the needs of CIA itself.

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CHAPTER III (cont'd)

- (3) The Director should refer difficult questions of disclosure of information to the NSC.
- (4) For security the CIA should accent role of coordinator rather than that of secret intelligence.
- (5) Large percentage of military personnel in the CIA key positions discourages competent civilian personnel from looking to employment in the CIA as a career.

- Directive
- all comment
- not clear

CHAPTER IV - Responsibility of the CIA for Coordination of Intelligence Activities.

- (1) The CIA's important responsibility for coordination of intelligence activities has not been fully discharged.

Concur.

This recommendation, taken in relationship to those of Chapter V following, strikes at the heart of the problem of coordinated intelligence. The Department feels that one of the primary missions of the CIA is to coordinate the activities of the several intelligence agencies. The Department recognizes that for such coordination to take place, it must forego, along with the other intelligence services, at least some independence of action on intelligence matters in order to achieve a successful coordinated effort. The Department is prepared to make this sacrifice and believes that each agency should do likewise.

The achievement of the coordination contemplated in this chapter of the Report might be accomplished by one of three general methods:

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CHAPTER IV (cont'd)

- (a) by the authoritative direction of the Director over the several departmental intelligence agencies; (b) by the coordination of the substantive product of intelligence, but without the coordination of the intelligence activities; or finally (c) by the cooperative effort of all the agencies under the general and forceful leadership of the Director. The Department recognizes that there still may be a difference of view among the agencies as to which of these methods is preferable; however, the Department believes that in accordance with the conclusions of Chapter II above, only the third of these alternatives is practical and that this alternative was in fact the purport of the National Security Act. The Department therefore looks to a firmer and more decisive leadership on the part of the Director in contrast to either direction or simply uncorrelated cooperative effort.
- (2) More active efforts at coordination are needed in the field of scientific intelligence. Concur.
- ✓ (3) Domestic intelligence and counter-intelligence as they pertain to national security should be more closely coordinated. The FBI should be member of the IAC. Concur.
- ✓ (4) The Director should be permanent chairman of the U.S. Communications Intelligence Board (USCIB). Non-concur.
- The Department would disagree with this conclusion and recommendation, and believes that because of its sensitive nature, it should be the subject of a wholly separate discussion. Not only has this particular matter been determined recently by the Security Council, but also the Dulles Committee has, by its own statement, admitted a lack of competence in this narrow field of intelligence.

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CONCLUSIONS AND RECOMMENDATIONS

COMMENT

CHAPTER IV - (cont'd)

- (5) The IAC is soundly conceived, but should participate more actively with the Director in continuing coordination of intelligence activities.

Concur.

- ✓ (6) The IAC should consist of the Director and representatives of State, Army, Navy, Air Force, and the FBI. Other departments and agencies should sit as ad hoc members when appropriate.

Non-concur.

While the Department endorses the addition of the FBI to the IAC membership, it believes that the AFM and JIG should be retained in full membership, a position the Department believes is shared by the other IAC members.

- ✓ (7) ICAPS should be reconstituted as a staff responsible only to the Director, with task of developing plans for coordination of intelligence activities.

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- ✓ (8) Responsibilities of the Office of Collection and Dissemination should be carried out under a new Coordination Division.

Concur.

CHAPTER V - Responsibility of the CIA for National Intelligence Estimates.

- ✓ (1) In the CIA there has been confusion between responsibility of producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting.

Concur.

- ✓ (2) Provisions of the National Security Act on national intelligence estimates as interpreted by the NSC Intelligence Directives are sound, but have not been effectively carried out.

- ✓ (3) There should be a small Estimates Division in the CIA which would draw upon and review

The Department, probably more than the other intelligence services, has felt the need of this correction in the total intelligence effort. Without question there has been a competitive production of finished intelligence estimates, apparently not in accordance with the NSC Intelligence Directives, and this competition is almost wholly confined to the CIA and the Department. In the view of the Department, the CIA should have a dominant role in the coordination of national intelligence estimates, but the actual production of the departmental intelligence requires

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CHAPTER V - (cont'd)

- V (3) specialized intelligence product of the agencies in order to prepare coordinated national intelligence estimates.

for such estimates, as well as miscellaneous research and reporting, is not within its scope, except as specifically determined to be a service of common concern. The Department finds that the coordination of national intelligence estimates has in the past suffered from this inclination on the part of the CIA to produce rather than to coordinate the intelligence product of the other agencies.

- V (4) Under the Director these estimates should be discussed and approved by the IAC, whose members should be collectively responsible.

Produce

- V (5) Provision should be made to handle crisis situations.

Concur.

- V (6) These estimates must be recognized as most authoritative available to policy makers.

CHAPTER VI - Services of Common Concern, Intelligence Research and Reports.

- (1) A Research and Reports Division created out of ORE should accomplish research in, and coordinate production of, intelligence in fields of common interest. Staff should include representatives from State and Services, to insure needs are adequately met.

Concur.

- (2) The Coordinating Division (re-constituted Intelligence Coordinating and Planning Staff) should be responsible for studying the scope of the Research and Reports Division and for recommending the services of common concern which should be performed centrally.

The comments directed at Chapter V above apply equally to this chapter. In particular, the Department believes that the responsibility for distribution of intelligence summaries, studies, and reports should be as far as possible fulfilled by the several departments and that the CIA should not assume any responsibility for preparing summaries, reports and studies on political subjects. In this connection, the Department recognizes that it must take appropriate steps to insure that the other departments receive regularly the intelligence reports, studies, and

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CONCLUSIONS AND RECOMMENDATIONS

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CHAPTER VI - (cont'd)

- (3) The propriety of the CIA preparing essentially political summaries should be reviewed.
- (4) Various reports, studies and summaries which are not national intelligence or recognized services of common concern should be discontinued.

summaries of a political nature arising in and from the Department of State, which are required in the work of the other Departments.

concur

CHAPTER VII - Services of Common Concern - Overt Intelligence.

- (1) The present Office of Operations (OO) consists of three activities, useful in their field, but with no particular relation to each other.
- (2) The Contact Branch should be integrated with the Office of Special Operations and Office of Policy Coordination under single over-all direction (Operations Division) within the CIA.
- (3) More active efforts should be made to exploit intelligence from foreign nationality groups and individuals in U.S. and the Director and the IAC should coordinate these activities.
- (4) The Foreign Documents Branch should be made part of proposed Research and Reports Division.
- (5) If retained in the CIA, the Foreign Broadcast Information Branch should be administered by the new Operations Division, but its product should be available for analysis in the new Research and Reports Division.

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Concur.

concur

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CHAPTER VIII - Services of Common
Concern - Secret Intelligence.

- (1) Covert operations of the Office of Special Operations (OSO) and the Office of Policy Coordination (OPC), and the activities of the Contacts Branch of OO should be integrated under the single direction of an Operations Division in the CIA.
- (2) Covert intelligence activities by the CIA and other agencies in occupied areas should be reviewed to effect close coordination.
- (3) The CIA should seek methods for better coordination in handling defectors affecting intelligence agencies abroad and in the continental U.S.
- (4) OSO (or new Operations Division) should give primary attention to building a corps of trained personnel for operations abroad.
- (5) Cover policies of OSO in the field should be reviewed and tightened. Continuous and careful consideration should be given to increasing use of non-official cover as demands for diplomatic or military cover are reduced to a minimum.
- (6) Counter-espionage of OSO should be increased and closer liaison established with the FBI.
- (7) Relations between departmental agencies should be brought closer and the guidance which OSO receives from the intelligence consumers should be strengthened.
- (8) The Director should be assured that OSO is receiving adequate information on current and strategic intelligence needs of the government, possibly by establishing closer relations with the Secretaries of State and Defense.

Concur.

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CHAPTER VIII - (cont'd)

- (9) OSO should have greater control over dissemination of its own material. *contact with summary*
- (10) The Nuclear Energy Group should be moved from OSO to the proposed Research and Reports Division as part of the scientific work. *non*
- (11) OSO should have access to communications intelligence for guidance and for more effective counter-espionage. *os*

CHAPTER IX - Services of Common Concern
- Secret Operations.

- (1) The close relationship between covert intelligence and covert operations and the latter's relation to intelligence affecting the national security justify placing OPC within the CIA. *os*
- (2) OPC should be integrated with OSO and Contacts Branch of the CIA, all under single direction of an Operations Division.

Concur.

CHAPTER X - The Direction of the CIA.

- (1) The directing staff of the CIA has not demonstrated adequate understanding of the mandate of the organization or the ability to discharge that mandate effectively.
- (2) Administrative organization and policies tend to impede the carrying out of essential intelligence functions of the CIA.
- (3) Continuity of service is essential for the successful carrying out of the duties of the Director.

Concur.

In its concurrence with these recommendations the Department wishes nevertheless to indicate its awareness of the difficult conditions which have confronted the CIA and the Director. The newness of the organization, the short incumbency of the Directors and the necessity to move forward on a number of fronts at once have greatly complicated the task. This but serves, however, in the Department's view, to

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CHAPTER X -(cont'd)

- (4) For continuity and independence of action a civilian should be the Director. If a service man is selected, he should resign from active military duty.) underline the importance of carrying these recommendations into effect as promptly as possible.

CHAPTER XI - The Service Intelligence Agencies.

- (1) Service intelligence agencies have manifested an increased interest in intelligence and an attitude conducive to accomplishing effective coordination.)
(2) Service intelligence agencies should be staffed with qualified personnel who concentrate in intelligence over the major portion of their careers.)
(3) In accordance with program of coordination initiated and guided by CIA, Service agencies should confine themselves principally to the fields in which they have primary interest.)
(4) A more active program of coordination by the CIA would result in a higher degree of centralization and coordination of intelligence production in fields where the Services have a common interest.)
(5) There should be effective coordination between the work of the JIC in the field of military estimates and that of the CIA and the IAC in the field of national estimates.)

Concur.

CHAPTER XII - Intelligence Functions of the Department of State.

- (1) The State Department, to which the NSC has assigned dominant interest in the collection and production of political, cultural and sociological intelligence, should equip itself more)

Concur.

The Department concurs in these recommendations which

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CONCLUSIONS AND RECOMMENDATIONS

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CHAPTER XII - (cont'd)

- (1) adequately to meet the legitimate requirements of the CIA and the other government intelligence agencies for such intelligence.
- (2) The specialized intelligence staff in the State Department does not now have sufficient current knowledge of departmental operations and policies to furnish, on behalf of the Department, the basic estimates which may be required by the CIA and the Service agencies.
- (3) The liaison between State and the CIA should be closer and put on a continuing, effective basis.
- (4) To meet the foregoing requirements, consideration should be given by the Department to designating a high officer of the Department, who has full access to operational and policy matters, to act as Intelligence Officer. This officer, with a small staff, should process requests for departmental intelligence received from the CIA and other agencies, and see that legitimate requests are met through the preparation of the requisite intelligence reports or estimates by the appropriate departmental officers. He should also act as continuing liaison officer with the CIA and the Service agencies.

(cont'd)

pertain directly to itself. It is taking steps to improve the situation outlined by the Committee in its Report by the development of intra-departmental liaison and coordinating arrangements which should render the intelligence arm of the Department adequate to meet its inter-departmental responsibility. Such improvements will be in accordance with, and complementary to, the changes contemplated as a result of the Hoover Commission report and other reorganization plans in the Department.

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SUMMARY OF THE DULLES-JACKSON-CORREA COMMITTEE REPORT
DATED JANUARY 1, 1949

1. The Report states that the CIA has been properly placed under the NSC and that no amendment to the provisions of the National Security Act relating to intelligence is required at this time.

2. With respect to the responsibility of CIA for the coordination of intelligence activity, the report states that the CIA has not adequately carried out this function and that what is needed is continuing and effective coordinating action under existing and improved directives. It recommends a revitalization of the Intelligence Advisory Committee (IAC) to play a more significant role in the coordination process and that the FBI should be included on this Committee. It also recommends radical revision of present CIA organization for this purpose to include a "Coordination Division" to assist the Director in fulfilling his responsibility.

3. With respect to the responsibility of CIA for production of intelligence relating to national security, the report states that the CIA has not as yet effectively carried out this most important function. Its failure is attributed (a) to extensive activity in the production of miscellaneous reports and summaries "which by no stretch of the imagination could be considered national estimates," (b) to the production of research and analysis competitively with similar production of other agencies, rather than the coordination of the best intelligence product of the interested agencies, and (c) to the failure to permit the other agencies to participate in a truly national estimate in which all can share responsibility. The report recommends the elimination of such independent production on the part of CIA and, instead, a concentration, through a small, high-level "Estimates Division," on review of intelligence products of other agencies with the consequent production of intelligence by CIA only in those subjects not clearly falling to one of the other agencies. The report also recommends that the IAC assume the role of final substantive review of coordinated estimates.

4. With respect to services of common concern, notably secret intelligence (Office of Special Operations), secret operations (Office of Policy Coordination), and foreign intelligence collected in the United States (Contacts Branch), the report recommends combining these functions under one operations chief in CIA with considerable autonomy and largely self-sufficient administration. The report also recommends that these operations should work in closer liaison with other departments and agencies which are its chief consumers and which should guide its collection efforts more effectively.

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5. With respect to the organization and direction of CIA, the report finds that the failure to carry out its assigned functions, and the tendency of the CIA to become "just one more intelligence agency" producing intelligence in competition with other agencies, is "a reflection of inadequacy of direction." The report also finds that the CIA is "over-administered" and suggests an improvement in security methods. The report recommends categorically the appointment of a civilian head or, at least, a retired military man, by which alone can continuity be achieved.

6. With respect to the Department of State, the report finds that the intelligence function is not sufficiently close to day-to-day policy formulation and operation, and that consequently the Department is not able to fulfill its interdepartmental obligations adequately and particularly its contributions to the CIA intelligence product. The report recommends the designation of an Intelligence Officer (although it is ambiguous what relationship such an officer would bear to the present staff), who should participate in the highest level policy formulation and at the same time be the IAG member and responsible for coordination with CIA.

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